

July 31, 2012

Postal Regulatory Commission
901 New York Ave NW, Suite 200
Washington, DC 20268

Reference: PRC Docket # MC2012-26

Dear Commissioners,

I am the franchisee of The UPS Store #2575 in Gallup, New Mexico.

I am writing to ask that you disallow the United States Post Office's "enhanced" services to Post Office Box customers, specifically:

1. Acceptance of third-party parcels and other items from UPS, FedEx, DHL and other non-USPS carriers, a practice that has been prohibited, by the USPS for decades and for good reason. (This could translate to a huge number of packages daily and private carriers handle much larger and heavier parcels, up to 150 lbs! What about increased storage facilities? Where is the money coming from for extra labor and equipment to handle the potential volume? Postage sales? Why doesn't the USPS currently allow consumers to ship through any carrier to a PO Box? Is the purpose of the USPS to deliver mail or become the country's largest package receiving and storage facility? This can't help the volume of parcel post and Priority packages that will now be sent non-USPS carriers. There is no way additional fees for "enhanced" services will exceed what is lost in parcel revenue, or come close to cover the costs to handle the logistics of this endeavor.)
2. The new ability to use the street address of the Post Office where the Post Office Box is located, rather than the conventional "PO Box 123, Anytown, MA 01234." (See # 1)
3. The new ability of Post Office Box customers to use the "#123" designation instead of the conventional "PO Box 123" form of address. (See # 1. Additionally, using the USPS's own argument from years ago, consumers will now never know the street address and the number sign is actually a Post Office. This rule will incite, foster, and perpetuate consumer fraud.)
4. E-mail / text message notification to PO Box customers of items received. ("Real Mail Notification") (Anyone can receive packages for someone from anyone, that is the easy part, it is keeping track of them that is the tricky part and that takes capital investment. Where is that capital coming from, postage sales?)

These new business practices place the United States Postal Service in direct and unequal competition with thousands of small businesses across the country. This new form of competition from the USPS will result in significant loss of revenue and damage to my business.

There are so many things wrong with this "enhanced" PO Box service it is hard to know where to start. This change will absolutely devastate an entire small business industry that has efficiently and effectively moved along with the pace of technology and consumer demands and developed specific products/services to satisfy those needs. The industry has invested millions in hardware, software

and marketing. It is not the place of the USPS to spend millions of dollars a year analyzing these technological advances, market trends, consumer spending statistics and forecasts, etc. to come up with a business plan to capitalize on them. The USPS has chastised competitors such as UPS and FedEx since the beginning of time, and only recently has the situation changed and only because it is perceived that this “enhanced” service will help the USPS solve its financial problems. The USPS has spent probably billions of dollars in huge advertizing campaigns to “compete” that it should have invested in technology to move mail accurately and efficiently. Heck, everyone knows about the Post Office, so why billions in advertising? Now will the campaign be “Send your parcel through any carrier to the Post Office”? Kind of a waste of billions of dollars on Priority Mail and “If it fits, it ships”. What if it doesn’t fit? People then will make a choice based on price and service. I compare this insanity with our local hospital “advertising”. With the next medical facility 130 miles away, if an ambulance delivers me to their door, was it the advertising that brought me? If they mess things up, will any amount of advertising bring me back when I have a choice? If the hospital concentrated on delivering quality services, when I have a choice, I will choose them, same with the USPS, if the services the consumers must use were of the highest quality possible, the consumers would automatically think of, and most likely use the USPS when they have a choice. The USPS is grasping at the wrong straws for its survival.

USPS facilities, equipment and labor to deliver mail should be funded through postage and the associated accessorial charges. PO boxes should be provided at a rate that covers the servicing costs including building, labor and vehicle costs to provide the service. PO Boxes must be less expensive to push letters into than individual homes, businesses and mailboxes on carrier routes. It is ironic to me that in our rural area, the PO Boxes furthest from the Post Office can actually be free! Somebody somewhere is subsidizing the cost, which is not insignificant, to service these rural PO Boxes six days a week. Why are the individuals who “qualify” for these boxes so special? On the other hand, if home delivery in town is included in the postage calculations, why aren’t all PO Boxes free if you live or work outside of the street delivery area? Is everybody guaranteed equal access to mail services no matter what it costs everyone else? Nothing is free in this world, somebody, somewhere is paying, and in matter of “enhanced” PO Box services it is CMRA’s and thousands of families and employees. I can guarantee the costs to deliver this service (technology, software, hardware, labor, etc) have not been carefully examined, and like everything else will eventually be subsidized by postage rates that will inevitably increase to cover the many various things it subsidizes.

The USPS was created in a different time, for a specific purpose. Changes in this country, and the world, such as the internet and online banking, have changed the way American’s do business and communicate. Everything is available instantaneously; the Pony Express is no more. It was not and is not the purpose or intent of the design of the USPS to be creative and compete with private business to survive. The USPS should be looking at costs and redesigning it’s systems to deal with the reduced volume of mail and parcels and cutting the fat. The USPS needs to determine from the redesign what the costs are and charge the public what it costs to deliver, similar to what any private business would be required to do. The USPS should not be expanding its services, in direct competition with the private sector, to survive the advance of technology. If the cost of mailing a letter becomes non-competitive, the next step in the evolution of mail service will be upon us. All the creativity and money in the world couldn’t make the Pony Express competitive today, as it is a service that technology has replaced.

Furthermore, adding insult to injury, as a Commercial Mail Receiving Agency (CMRA), our business is regulated and inspected by the USPS. There is no other enterprise in our society where one competitor can regulate another, even to the point of requiring them to turn over their customer list on a quarterly basis.

Additionally, as a CMRA, we operate under other unfair rules, such as the ability of a postal customer to change his address from a PO Box to another address with a simple "Change of Address" form, while customers of a CMRA such as my store are prohibited from doing so. When a CMRA mailbox customer moves, we are required by the USPS to receive the customer's mail for six months following termination and cannot re-mail it without paying for new postage. Considering the cost of a first class stamp includes forwarding, in my opinion, this is just a discrimination lawsuit waiting to happen and it won't be from a CMRA it will be a PMB boxholder.

Finally, as noted in PRC Order No. 1366, "the Postal Service has not submitted an appropriate filing that describes the nature and implementing rules for these enhanced services." The USPS failed to follow the rules in rolling out these new services, and made a unilateral decision and executed it without the necessary filings.

A financially viable Post Office is an important part of our business, but not at our expense. We are very excited about the new EDDM program, have completed a couple of mailings to get our feet wet and are presently laying out plans to begin regular monthly mailings. If every The UPS Store in the country (approx. 4,500) mailed one or two thousand EDDM pieces every month that is a minimum estimated annual revenue of almost 8 million dollars. Products like EDDM are what the USPS should be concentrating on. Our relationship with the USPS is a careful balance of competition and support and what the USPS is doing is fundamentally wrong.

As a citizen and a small businessman I am appalled and disgusted with the actions of our government, government agencies, and big business in this country. The "American Dream" for the individual is being completely wiped out by big government and big business doing what they want with no regard to the big picture. I cannot sit by and watch the USPS launch a series of products and services specifically designed to take our customers, and in this instance again, similar to the above examples, they are driving yet another nail into the coffin of Free Enterprise.

Thank you for your time and kind attention to this matter. Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

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